

M e m o r a n d u m

To: Panel Members

Date: December 15, 2006

From: Dolores Kendrick, Manager

Analyst: M. Tolentino

Subject: One-Step Agreement for **SANTA CLARITA COMMUNITY COLLEGE DISTRICT**

CONTRACTOR:

- Multiple Employer: Training Agency
- Training Project Profile: Retraining: Companies W/Out-Of-State Competition Set- Workers Who Are Small Business Owners
- Legislative Priorities: Promotion of California's Manufacturing Workforce Moving To A High Performance Workplace Displaced/ Potentially Displaced Workers
- Type of Industry: Various Industries
- Repeat Contractor: Yes
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: The project is for a training agency in which there is not yet any union involvement, but which may eventually serve both union and non-union employers.

CONTRACT:

- Program Costs: \$413,520
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$28,685
- Total ETP Funding: \$442,205
- Total In-kind Contribution: \$253,000
 - *Trainee Wages Paid During Training:* \$208,950
 - *Other Contributions:* \$44,050
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Statewide
- Location of Training: 40% Center Based; 60% Employer Site

INTRODUCTION:

This will be the eighth Agreement between Santa Clarita Community College District and the Employment Training Panel. Santa Clarita Community College District, also known as College of the Canyons (COC), is a two year, fully accredited community college offering a full range of vocational education programs as well as academic programs necessary for transfer to four year institutions. COC is eligible to provide training under Title 22 California Code of Regulations (CCR), Sections 4426(a)(1) and 4400(z) as a training agency.

Participating employers will qualify under Title 22 CCR, Sections 4416 (d) and (i) as manufacturers and other companies facing out-of-state competition. Small business owners will also qualify for ETP funding under Title 22 CCR, Section 4409(c) for entrepreneurial training as a Special Employment Training (SET) project. Some participating employers will be from priority industry sectors, as designated by Job Number.

MEETING ETP GOALS AND OBJECTIVES:

COC proposes training that will further the following ETP goals and objectives:

1. Promote the retention and expansion of California's manufacturing workforce.
2. Foster job retention of high-wage, high-skilled jobs.
3. Support companies moving to a high performance workplace.
4. Meet the needs of small businesses.

TRAINING PLAN TABLE:

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job 1 Retrainee Priority Industry (<100)	MENU: Business Skills, Computer Skills, Continuous Improvement, Hazardous Materials, Literacy Skills, Management Skills, Manufacturing Skills	15	40	0	\$1,112	*\$11.83 - \$64.00
Jobs 2, 3, 4 & 11 Retrainee Priority Industry	MENU: Business Skills, Computer Skills, Continuous Improvement, Hazardous Materials, Literacy Skills, Management Skills, Manufacturing Skills	445	24-60	0	\$462 - \$1,155	*\$11.83 - \$64.00
Jobs 5 & 6 Retrainee Priority Industry	Advanced Technology	50	60-72	0	\$1,668 - \$2,002	\$13.00 - \$39.00
Jobs 7, 8 & 9 SET: Small Business Owner	Business Skills	45	24 – 32	0	\$667 - \$889	N/A
Job 10 Retrainee	MENU: Business Skills, Computer Skills, Continuous Improvement, Hazardous Materials, Literacy Skills, Management Skills, Manufacturing Skills	30	24	0	\$385	*\$11.83 - \$64.00

Wages After 90-Day Retention		
<u>Occupation</u>		
Accounting/Finance Staff Administrative/Support Staff Assembler Designer Engineer Machinist/Operator Manager Production Support Production Technician Programmer Purchasing/Inventory Specialist Sales/Marketing Staff Supervisor		
<u>Health Benefits Used To Meet ETP Minimum Wage:</u>	<u>Turnover Rate</u>	<u>% Of Mgrs & Supervisors To Be Trained:</u>
Health benefits may be applied to the base wage in order to meet the ETP minimum hourly wage of \$12.90 for Alameda, Contra Costa, Los Angeles, Marin, Orange, San Francisco, San Mateo and Santa Clara Counties; \$12.55 for Sacramento County; \$12.31 for San Diego County; \$12.37 for Ventura County; and \$11.83 for all other counties.	Shall not exceed 20% annually	Shall not exceed 20%
<u>Other Employee Benefits:</u>		
Other employee benefits vary among participating employers.		

COMMENTS / ISSUES:

➤ ***Frontline Workers***

COC will provide training primarily to serve workers who meet the Panel definition of frontline workers under Title 22 CCR, Section 4400(ee). No more than twenty percent of the trainees from any participating employer will be managers or supervisors.

➤ ***Production During Training***

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

➤ ***Center-Based Training***

According to COC representatives, 60 percent of ETP training will be conducted on-site and 40 percent will be conducted at COC facilities. A majority of the participating employers are small manufacturing companies. Because they typically run multiple shifts, it may be disruptive to the production and workflow process to get a group of 15 to 20 employees

COMMENTS / ISSUES: (continued)

together at the same time for a course, as is typically needed for a dedicated, onsite course. Sending two to eight employees to a class is less disruptive.

Center-based training will also be comprised of workers with the same or similar job titles (i.e. machine operator, tool and die maker, or draftsman in CNC courses). All center-based training will be customized to the needs of attendees by meeting beforehand with the employers to determine needs and goals, in order to drive curriculum development.

➤ ***SET Entrepreneurial Training***

The proposed small business owners agree that for the purposes of the SET entrepreneurial training program, they must employ at least one full-time employee and no more than nine employees as required by ETP.

RECOMMENDATION:

Staff recommends that the Panel approve the proposal because it will further participating employers ability to remain competitive, and give small business owners the competitive management skills needed to successfully manage and grow a small business. Staff also took into consideration the fact that small businesses are targeted for funding under the 2006 Strategic Plan.

NARRATIVE:

COC serves a 365-square mile area located 35 miles north of downtown Los Angeles. Founded in 1969, it currently has an enrollment of over 18,000 students. The Employee Training Institute (ETI) is COC's contract education unit responsible for customized training and education programs that are not-for-credit. ETI programs support economic and community growth in the Santa Clarita Valley.

COC is submitting this proposal on behalf of its local business community, as represented by the Valley Industrial Association (VIA), the largest business organization within the community college district and has over 400 member companies, representing over 35,000 employees in the Santa Clarita Valley. In addition, COC worked closely with the City of Santa Clarita and the Chamber of Commerce to assess needs and provide programs pertinent to the community.

COC serves small to medium-sized companies in the biotech, aerospace, and other manufacturing fields, along with the entertainment field, the Six Flags destination resort, and the mortgage banking industry. COC representatives state that almost 50 percent of participating employers involved in their previous ETP Agreement contracts had fewer than 100 employees, and 82 percent had fewer than 250 employees. With this high percentage of small companies comes a great need for assistance with training.

The core participating employers include bio-medical equipment manufacturers, high-tech machining firms that provide services to aerospace and medical equipment manufacturers, fiberglass mold suppliers, and producers of chocolates, racing car parts, and vitamins. The

NARRATIVE: (continued)

training provided will ensure the long-term viability of local employers in the Santa Clarita Valley region.

Advanced Technology training will provide employees of manufacturers or aerospace subcontractors the knowledge and skills to utilize the most up-to-date technology in computer-aided design and manufacturing.

Business Skills training will enable trainees to improve their skills in customer service, communication, problem solving and use project management techniques and tools to enhance business performance.

Computer Skills training will enable programmers, *designers*, *accountants*, *account managers*, *marketing* and administrative and production support staff to gather and manipulate data and manage projects using Microsoft Excel (Advanced), Project and Access.

Continuous Improvement training will assist designers, production staff, purchasing agents, quality team members, inventory specialists, and administrators in identifying opportunities for improvement in their daily work processes while working more efficiently to reduce errors. Training in these areas will ensure that all employees will communicate, function efficiently on teams, and be able to solve problems collaboratively in a high performance workplace while lowering the company's overall operating costs

Hazardous Materials training will be taught to employees who work in organizations where hazardous materials are used or stored, to enable efficient handling of hazardous materials and improve safety in the firm.

Literacy Skills training will improve the written and verbal communication and basic math skills of limited English-speaking company employees. Participating employers report that it is necessary for employees to obtain these literacy skills to understand and explain their work processes and to contribute to company productivity and quality goals.

Management Skills training will provide supervisors and managers who have moved up without formal training in leadership and management, skills to create a positive work environment that motivates employees to achieve their best performance.

Manufacturing Skills training will provide trainees the skills necessary to be more versatile within the employer's manufacturing cells, work more efficiently, obtain technologically advanced machining skills and provide quality parts for its customers' engines.

ETI works closely with a sister organization administered by COC, the Small Business Development Center (SBDC). SBDC offers counseling and short workshops to small business

NARRATIVE: (continued)

owners. However, survey results from a recent entrepreneurial conference attended by more than 250 small business owners showed a desire for more training in business skills.

Entrepreneurial Training in business skills will enable small business owners to develop and implement a fiscal control system; to obtain business financing and understand its relationship to high performance business capabilities; and provide small business owners with tools necessary to grow a successful small business through effective marketing and sales strategies; as well as the importance of delivering quality customer service.

Employer Demand

Panel policy requires multiple employer contractors to provide evidence of employer demand for training. COC representatives have collected data through interviews with employers and have created online surveys to obtain information about specific company needs. Furthermore, COC staff will work with individual employers to customize the curriculum to meet specific company needs and to understand the specific outcomes expected from the training.

According to COC, it has developed a broad network of connections with executive officers, managers, professional agencies, non-profit resource groups, and Worksource Centers, and has a website presence to reach current and new employers in its vicinity. The proposed ETP-funded training will be marketed through presentations attended by members of VIA and other business organizations. In addition, COC will utilize direct mail, personal contacts, telephone calls, and e-mail announcements to recruit companies.

For the Entrepreneurial Training program, SBDC will recruit trainees through its offices in Chatsworth and Palmdale/Lancaster.

Commitment to Training

According to COC representatives, ETP funds are used for training programs that are beyond the participating employer's orientation and on-the-job development abilities.

Participating employers typically plan to continue training after completion of ETP-funded programs. Some employees attend seminars for further information and continuous improvement. Others employers may model behavior learned in ETP programs and expect employees to emulate their behavior.

SUBCONTRACTORS:

APICS The Association for Operations Management of Valencia, California will provide training services to COC in connection with this proposal.

THIRD PARTY SERVICES:

Consultants will not be used.

PRIOR PROJECTS:

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS						
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	<i>Planned</i> In-kind Contribution	<i>Reported</i> In-kind Contribution
ET04-0471	Santa Clarita	10/6/03 – 10/5/05	\$731,992	\$555,375 (76%)	\$388,000	\$345,320
ET03-0169	Santa Clarita	10/7/02 – 10/6/04	\$436,111	\$389,434 (89%)	\$232,315	\$235,001
ET01-0220	Santa Clarita	12/31/00 – 12/30/02	\$455,642	\$367,238 (81%)	\$167,034	\$135,298

ACTIVE PROJECTS:

The following are current project statistics:

ACTIVE PROJECTS						
Agreement Number	Agreement Amount	Term	Planned Number To Be Retained	Number Enrolled	Number Completed Training	Number Retained For 90 Days
*ET05-0247	\$499,783	12/31/04 – 12/30/06	717	170	150	150

*COC representatives reported that the College expects to retain 150 trainees (21%) in this Agreement. COC representatives consider the completion rate an anomaly since previous ETP contracts generated between 76 to 89 percent. COC representatives indicated that the College was not able to fully utilize the funds available under this contract due to a reorganization of priorities supporting the College initiative to convert some of its contract education programs (such as the ETP Training Program) to credit programs; creation of the Business Institutes which is a series of eleven half-unit classes offered to local businesses; a management turnover and lack of dedicated staff for this Agreement.

COC representatives report that the following actions have been implemented to ensure a higher completion rate in the proposed training plan:

- The College has reversed its push to drive the types of courses ETI offers, from contract education to credit status. ETI is able to again pursue contract education and provide employers the proposed training program.
- The College has assigned two full-time staff dedicated to the administration of the proposed ETP Training Program.

Santa Clarita Community College District

MENU CURRICULUM

Class/Lab Hours

24 – 72

Trainees will receive one or more of the following:

Advanced Technology

-Master CAM X

- Beginning Mastercam:

Intro to the interface

2D wire drawing

Brief overview of solids

Intro to 3D drawing of wire frame including some surface creation

Programming containing drilling, pocketing, and contouring

3D contouring

Brief overview of 3D surfacing

Understanding of operations manager

Tool definition and stock set up

Verifying of programs using NC editor

- Intermediate/Advanced Mastercam:

Understanding of tool planes and construction planes

In-depth understanding of surfaces

Construction of 3D surfaces

Understanding of solid modeling with Solids

In-depth 3D surfacing

Overview of 4-axis toolpath

Introduction to 5-axis toolpath

Brief introduction to lathe

-SolidWorks

Use the Graphic User Interface (GUI)

Design and manage a solid modeled project consisting of components and a final assembly

Solve design problems with economy of time and expense

Communicate visually

Collaborate with others

Learn about new state-of-the-art methods

Generate presentation graphics of modeling work

Business Skills

6 Sigma Improvement Methodology

Project Management

Communication Skills

Santa Clarita Community College District

MENU CURRICULUM (continued)

Business Skills (continued)

Business Writing
Negotiating
Conflict Resolution
Customer Service
Inventory Control
Accounting
Payroll Systems
Marketing
Business Planning
Financial Strategies
Merchandising

Computer Skills

Advanced Excel
Microsoft Project
Microsoft Access

Continuous Improvement

Lean Manufacturing
Kaizen Methodology
Statistical Process Control
Problem Solving
Team Building
Quality Concepts
Total Quality Management
ISO
Just-In-Time Processes
Production Scheduling
Value Stream Mapping
Decision Making
Leadership Skills for Frontline Workers

Hazardous Materials

Hazardous Materials Handling
Hazardous Chemical Cleaning/Handling
Hazardous Waste Cleaning
Environmental Monitoring and Personal Protection Equipment
Hazardous Waste Management and Transportation
Environmental Liability and Risk Management
Solid Waste Recycling

Santa Clarita Community College District

MENU CURRICULUM (continued)

Literacy Skills (Job Related) *(Literacy Skills training will not exceed 45% of the total job-specific skills training.)*

Vocational English as a Second Language
Vocational English
Basic Math

Management Skills *(Only trainees in managerial and supervisory positions who oversee other staff will receive ETP-funded Management Skills training.)*

Leadership
Decision Making
Motivation
Teambuilding
Coaching
Communication Skills

Manufacturing Skills

Blueprint Reading
Production Operations
Parts and Products Manufacture
Equipment Operation
Assembly Procedures
Inventory Control
Warehousing
Manufacturing Practices
Cross-Training in Production Equipment/Skills
CNC Machine Operation
CNC Programming
Geometric Dimensioning and Tolerancing

ENTREPRENEURIAL TRAINING FOR SMALL BUSINESS OWNERS

Business Skills

- Finance/Accounting:
 - Intro to financial management
 - Accounting concepts
 - Key financial statements
 - Role of the outside auditor
 - Valuation of assets
 - Recording and reporting financial information
 - Tools for recording and reporting
 - Importance of cash flow
 - Balance sheet
 - Profit and loss
 - Leverage

Santa Clarita Community College District

MENU CURRICULUM (continued)

Business Skills (continued)

- Finance/Accounting:
Depreciation
Inventory costing
Capital budgeting
Cost accounting
Budgeting
- Customer Service
- Conflict Resolution
- Telephone, email, and in-person courtesy
- Marketing:
Understanding the marketing environment, internal and external
Product life cycle
Defining your product/service
Positioning, image
Market segmentation and target marketing
Forecasting
Pricing: more than just a price tag...what to consider
Promotion: advertising, public relations, sales function, sales promotion
Marketing channels
Marketing research

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
--

Participating Employers in Retrainee Multiple Employer Contracts

Contractor's Name: Santa Clarita Community College District

CCG No.: ET07-0247

Reference No: 07-0105

Page 1 of 3

PRINT OR TYPE

Company: Alfred E Mann Foundation

Address: 25134 Rye Canyon Loop, #200

City, State, Zip: Valencia, CA 91355

Contact Person/Title: Karen Morris / HR Manager

Telephone No.: (661) 702-6789

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 104

Total # of full-time company employees in California: 104

Estimated # of employees to be retrained or hired under this Agreement: 2

Company: Avibank Mfg.

Address: 11500 Sherman Way

City, State, Zip: North Hollywood, CA 91605

Contact Person/Title: James Lord / HR Group Director

Telephone No.: (818) 392-2100 x2181

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 396

Total # of full-time company employees in California: 396

Estimated # of employees to be retrained or hired under this Agreement: 6

Company: Canyon Engineering Products Inc.

Address: 28909 Avenue Williams

City, State, Zip: Valencia, CA 91355

Contact Person/Title: Jerilyn A. Ritter / Director, HR

Telephone No.: (661) 294-0084

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 80

Total # of full-time company employees in California: 80

Estimated # of employees to be retrained or hired under this Agreement: 5

Participating Employers in Retrainee Multiple Employer Contracts

Contractor's Name: Santa Clarita Community College District

CCG No.: ET07-0247

Reference No: 07-0105

Page 2 of 3

PRINT OR TYPE

Company: Classic Wire Cut Co.

Address: 25012 Anza Drive

City, State, Zip: Valencia, CA 91355

Contact Person/Title: Amy Grant, Director of Corporate Performance

Telephone No.: (661) 257-0558 x252

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 100

Total # of full-time company employees in California: 100

Estimated # of employees to be retrained or hired under this Agreement: 15

Company: Contractors Wardrobe Inc.

Address: 26121 Avenue Hall

City, State, Zip: Valencia, CA 91355

Contact Person/Title: Dorothy Keathley / HR Manager

Telephone No.: (661) 257-1177 Ext. 1262

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 450

Total # of full-time company employees in California: 430

Estimated # of employees to be retrained or hired under this Agreement: 2

Company: ITT Corporation

Address: 28150 Industry Drive

City, State, Zip: Valencia, CA 91355

Contact Person/Title: Greg Cannoy, Director, Administration

Telephone No (661) 295-4004

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 330

Total # of full-time company employees in California: 330

Estimated # of employees to be retrained or hired under this Agreement: 180

Participating Employers in Retrainee Multiple Employer Contracts

Contractor's Name: Santa Clarita Community College District

CCG No.: ET07-0247

Reference No: 07-0105

Page 3 of 3

PRINT OR TYPE

Company: Richmond Aircraft Products Inc.

Address: 13503 Pumice St.

City, State, Zip: Norwalk, CA 90650

Contact Person/Title: Stewart Rixson / CFO

Telephone No: (562) 207-9622

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 42

Total # of full-time company employees in California: 42

Estimated # of employees to be retrained or hired under this Agreement: 5

Company: Solid Concepts

Address: 28309 Avenue Crocker

City, State, Zip: Santa Clarita, CA 91355

Contact Person/Title: Claus Boettger / HR Manager

Telephone No.: (661) 257-9300 X466

Collective Bargaining Agreement(s): No

Total # of full-time company employees in California: 150

Total # of full-time company employees worldwide: 160

Estimated # of employees to be retrained or hired under this Agreement: 4

Company: Ultraviolet Devices, Inc.

Address: 26145 Technology Drive

City, State, Zip: Valencia, CA 91355

Contact Person/Title: Julie Weith / Director, Human Resources

Telephone No.: (661) 257-4622

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 85

Total # of full-time company employees in California: 65

Estimated # of employees to be retrained or hired under this Agreement: 10